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THE SECRETARY OF DEFENSE
WASHINGTON

BPAM

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5 FEB 1965

Honorable John A. McCone
Director
Central Intelligence Agency

Dear John:

I also have been concerned about the quality of some past studies relating to cost and resource impact of foreign military and space programs; and, because of the increasing importance of these economic studies, I agree that they should be more centrally directed, monitored, and evaluated. I wholeheartedly concur that the Central Intelligence Agency should continue to have primary responsibility for these analyses; and, consequently, I support the expansion of the Central Intelligence Agency's capabilities in this area. As you expand this capability, we should be able to phase-down our external contracts.

To assure greater control of this effort within the Department of Defense, I have designated the Assistant Secretary of Defense (Comptroller) to coordinate and integrate DoD requests for foreign cost and resource analysis so that the capability of the Central Intelligence Agency can be effectively utilized. These requests will be transmitted directly to your staff. This is not intended to restrict the necessary cooperation between the Central Intelligence Agency and the Defense Intelligence Agency. As you may appreciate, General Carroll's capability in this area might need some augmentation, not only to enhance cooperation with the Central Intelligence Agency, but to assure responsiveness to future requirements, including the undertaking of specialized comparative costing problems. Furthermore, the Assistant Secretary of Defense (Comptroller) will also inform your staff of actions which might result in external contracts in these fields.

Sincerely,

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